

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------|---|-----------------|
| APPROVAL OF THE RESALE |) | |
| AGREEMENT NEGOTIATED BY |) | |
| BELLSOUTH TELECOMMUNICATIONS, |) | |
| INC. AND KMC TELECOM, INC. |) | CASE NO. 97-500 |
| PURSUANT TO SECTIONS 251 AND |) | |
| 252 OF THE TELECOMMUNICATIONS |) | |
| ACT OF 1996 |) | |

O R D E R

On December 10, 1997, BellSouth Telecommunications, Inc. ("BellSouth") and KMC Telecom, Inc. ("KMC Telecom") submitted to the Commission their negotiated agreement for the interconnection of their networks, the unbundling of specific network elements, and the resale of BellSouth's telecommunications services. The agreement was negotiated pursuant to the Telecommunications Act of 1996 ("1996 Act"), 47 U.S.C. Sections 251 and 252. Section 252(e) of the 1996 Act requires the parties to an interconnection agreement adopted by negotiation to submit the agreement for approval to the Commission.

The Commission has reviewed the agreement and finds that no portion of the agreement discriminates against a telecommunications carrier not a party to the agreement. The Commission also finds that the implementation of this agreement is consistent with the public interest, convenience, and necessity.

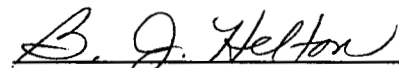
KMC Telecom must comply with all relevant Commission mandates for serving in this Commonwealth.


The Commission, having been otherwise sufficiently advised, HEREBY ORDERS
that:

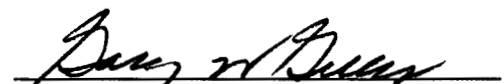
1. The negotiated agreement between BellSouth and KMC Telecom is approved.
2. KMC Telecom shall file a tariff for local service prior to providing local service giving 30-days' notice to the Commission and shall comply with all Commission regulations and orders as directed.

Done at Frankfort, Kentucky, this 15th day of January, 1998.

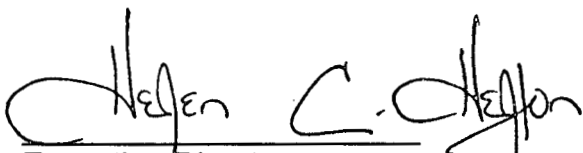
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director